FINANCIAL SECRETARIAT

Adopts the Government of India Form No. A.O. 60 for the preparation of Administrative Accounts of Irrigation, Embankment, Navigation and Drainage Works from 1950-51.

READ—

Correspondence ending with letter No. WM/C. & R./255, dated the 18th June 1952, from the Accountant-General, Mysore, Bangalore, requesting that the Government of India form for the preparation of the Administrative Accounts of Irrigation, Navigation and Drainage Works (A. O. 60) may be adopted from the Accounts of 1950-51.

ORDER NO. FL. (B) 4385-88—C.R. 22-52-2, DATED BANGALORE, THE 5TH AUGUST 1952.

The Accountant-General has suggested that the Government of India form for the preparation of the Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works (A.O. 60) may be adopted from the accounts of 1950-51 and that rules contained in paragraphs 716 to 722, dealing with the preparation of Administrative Accounts relating to Krishnarajasagar, Vani Vilas Water Works and other Irrigation Works financed from sources outside the revenue account as well as paragraphs 725 to 731 of the Mysore Public Works Account Code dealing with projects financed from Revenue may be suitably revised and that all projects either financed from Revenue or from sources outside Revenue, may be included in the Administrative Accounts. The above suggestions of the Accountant-General are accepted.

2. A set of rules regarding the preparation of Administrative Accounts of Irrigation, Navigation, Embankment and Drainage Works is contained in the Appendix appended to this Order.

3. The revised rules will have effect from the accounts for 1950-51.

4. Necessary amendments to the Mysore Public Works Account Code under revision will be issued separately.

5. The Chief Engineer in Mysore will separately take action to prepare a correct and up-to-date list of Irrigation Works for which Administrative Accounts will have to be prepared and forward the same to the Accountant-General, Mysore, early.

M. SHAMANNA,
Secretary to Government,
Finance Department.

APPENDIX.

ADMINISTRATIVE ACCOUNTS OF IRRIGATION, NAVIGATION, EMBANKMENT AND DRAINAGE WORKS.

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INTRODUCTORY.

1. The Accountant-General may be required by Government to prepare annually *pro forma* accounts (otherwise known as Administrative Accounts) of irrigation, navigation, embankment and drainage projects for which capital and revenue accounts are kept. These accounts should be prepared in Form.....which is divided into the following six parts :—

Part I.—General Abstract of Financial Results.
Part II.—Detailed Account of Capital Expenditure.
Part III.—Revenue Account.
Part IV.—Interest Account.
Part V.—Account of Indirect Charges.
Part VI.—Statement comparing Capital Cost with Sanctioned Estimates.

Accounts of individual projects are kept in Parts II to VI for each, and the general results of all projects are abstracted in Part I.

CLASSIFICATION.

2. The Projects for which Administrative Accounts are prepared are classified thus:

A.—Irrigation Works.—

(1) Productive. (2) Unproductive.

B.—Navigation, Embankment and Drainage Works.—

(1) Productive. (2) Unproductive.

In Part I, projects should be grouped according to this classification, and on all separate accounts of them the detailed classification of each project should be indicated prominently.

PART I.—GENERAL ABSTRACT OF FINANCIAL RESULTS.

3. Part I is a summary of the financial results of all projects in the State excluding those for which no capital accounts are kept, the figures in respect of individual projects being taken from the detailed accounts as brought out to other parts.

NOTE.—Projects should be arranged serially in the order of the dates on which the construction estimates were closed. Projects whose construction estimates have not closed should come next in the arrangement and they should be detailed in the order of the dates of sanction to the estimates. This arrangement should not, however, interfere with the classification of projects between Irrigation and Navigation, etc., and between productive and unproductive prescribed in the preceding paragraph.

PART II.—DETAILED ACCOUNT OF CAPITAL EXPENDITURE.

4. Part II, the Detailed Account of Capital Expenditure, is a statement of the total direct charges incurred to end of the year against all the sanctioned estimates of capital expenditure. The outlay should be detailed by such branches and sections of the project as are shown separately in the sanctioned project estimate, and under each it should be given in full detail of minor heads (including "Receipts and Recoveries on Capital Accounts") and detailed heads.

(1) Charges under the minor heads "Establishment" and "Tools and Plant" should be detailed only if the entire expenditure of a circle of superintendence, or of any other prescribed unit of distribution of charges relates to a single project; in other cases, the charges to be shown under each of these two heads will be the lumpsums which may be debited to a project according to the rules of distribution of such charges made by Government in consultation with the Accountant-General.

(2) In the case of projects for which completion reports have been submitted, it is not necessary to show details of expenditure by detailed heads under the sub-divisions of the minor heads.

(3) In the case of projects in respect of which the construction estimates have been closed and the completion reports approved by Government and in respect of which no further capital expenditure is bing incurred under open capital estimates, all details of capital expenditure should be omitted, references being given to the Administrative Accounts of the years in which the Capital Accounts were shown in detail.

(4) The particulars of apportionment of the capital expenditure among the Irrigation Major Heads need not be shown in the capital account.

5. Expenditure on surveys which was incurred before construction commenced should be brought on to the account by an entry in the column headed "To end of the year" qualified by a suitable explanation in the column for "Remarks".

6. For purposes of comparison with estimates, the form of Part II provides a column for "Cost of construction as now estimated". This column is written up thus:—

(i) if the construction estimate is still open,	The estimated cost.
(ii) if the construction estimate is closed,	The aggregate of (1) actual expenditure on the closed construction estimate, (2) actual expenditure on all closed estimates of open capital, and (3) estimated cost of all open capital estimates the account of which are still open.

In the case of projects the construction estimates of which have been closed the difference between the figures in this column and column 4 of Part VI will indicate the amount of the open capital sanctions still operative, *i.e.*, the further authorised liabilities of the project.

7. If the construction estimate has been closed, the date on which it was closed should be noted in the column for "Remarks".

PART III.—REVENUE ACCOUNT.

8. Part III.—the Revenue Account is a statement making an up-to-date comparison of the gross (*i.e.*, direct as well as indirect) figures of the receipts and the working expenses of a project yielding revenue. The receipts should be detailed by minor heads, and the working expenses by both minor heads and sub-divisions of minor heads. The difference between the gross receipts and the gross charges will represent the net revenue or the deficit, as the case may be.

The Revenue account should be opened for a Project as soon as any section of it is completed and begins to yield Revenue.

PART IV—INTEREST ACCOUNT.

9. Part IV.—the Interest Account is a simple debit and credit account showing on one side the charges for the interest and on the other the not revenue, or deficit, as worked out in Part III.

10. Interest is adjusted in the Administrative Accounts of Irrigation, etc., projects as stated below :—

(*a*) for capital outlay met out of specific loans raised by Government, at such rate of interest as may be prescribed by Government having regard to the rate of interest actually paid on such loans and the incidental charges incurred in raising and managing them;

(*b*) for capital outlay provided otherwise at such rate of interest as may be determined by Government in consultation with Auditor-General.

NOTE.—By specific loans are meant loans that are raised in the open market for one specific purpose which is clearly specified in the prospectus and in regard to which definite intimation is given at the time of the raising of the loans that the purpose of accounts they are to be regarded as specific loans.

Interest is calculated on the total direct capital outlay to end of the previous year *plus* half the outlay of the year itself.

PART V.—ACCOUNT OF INDIRECT CHARGES.

11. Part V—the Account of indirect charges, which is prepared in two separate sections—Capital and Revenue—is a simple statement of the indirect charges shown below :—

Capitalised abatement of land revenue.—At twenty times the annual amount of land revenue remitted.

NOTE :—This charge should not be made in cases when the capitalised value has been awarded in lieu of abatement and has been debited as a direct charge.

Audit and Accounts Establishment.—The actual expenditure, where it is readily ascertainable, as in the case of separate Audit and Account Offices constituted for specific projects; otherwise, 1 per cent on works expenditure.

PART VI.—STATEMENT COMPARING CAPITAL COST WITH SANCTIONED ESTIMATES.

12. Part VI compares both the direct and indirect charges incurred up-to-date on a project with the amount of sanctioned estimates.

13. If the construction estimate is still open, no entries should be made in columns 2 to 4, headed "Charges against closed sanctions", and in column 8 "Total charges to date against old and current sanctions". But, if it has been closed, all the columns of the form should be written up, columns 2 to 4 being used in respect of all working estimates (construction of open capital) which have been closed, and columns 5 to 7 headed "Current Sanctions", in respect of all working estimates of open capital, the accounts of which are still open. Particulars of the sanctioned estimates, *e.g.*, the numbers and dates of the orders of Government issued from time to time, the amounts of estimates, etc., need not be entered in either case.

REVIEW.

14. The Administrative Accounts should be submitted to Government in print as soon as possible after closing the final accounts for March. The Accountant-General should review the accounts and send with them a report of the points which his review may suggest. In the report should be mentioned specially all points requiring attention, *e.g.*, (1) cases in which in the Accountant-General's opinion, a change of classification of projects from 'productive' to 'unproductive' or *vice versa* may be indicated, (2) cases in which an abnormal increase under "Working Expenses" is not accompanied by an adequate increase in the "Receipts" or (3) cases in which "Receipts" show marked decline and there is no known reason for this.

(1) For the purpose of the review the figures shown against the minor head "Recoveries of Expenditure" should be deducted both from "Gross Receipts" and from "Gross Working Expenses".

(2) Any practical suggestions calculated to reduce the working expenses, to develop the gross receipts, or to effect economies otherwise, which may occur to the Accountant-General, should ordinarily be made separately, the report being confined to mentioning the salient features of the accounts in a manner intelligible to an outsider.

15. Two copies of the accounts (with Report) should also be submitted simultaneously to the Auditor-General. If printed copies cannot be despatched so as to reach the Auditor-General by 25th July each year, the first copy should be sent on the due date in manuscript. A separate report should also be submitted at the same time reviewing the working of the various Irrigation projects with reference to the desirability of changing the existing classification of a particular work or works from "productive" to "unproductive" or *vice versa*, on the basis of the actual yield and the anticipated return from such works. This review may, however, if Government has no objection, be included in the report to Government which the Accountant-General submits under paragraph 14 above.

FORM.

PART I.—General Abstract of Financial Results of Irrigation, Navigation, Embankment and Drainage Works for which Capital and Revenue Accounts are kept for the year 19 —19 .

Name of projects	Cost of construction as now estimated			Date of closure of construction estimate or in the case of works under construction date of sanction	Capital outlay						Accumulated arrears of simple interest to end of the year	Total capital invested to end of the year (Col. 11 and Col. 12)	Gross receipts during the year			Working expenses and maintenance during the year ..... inclusive of indirect charges			Net revenue Surplus + Deficit —	Percentage of capital outlay Col. 11 Gain "G", Loss "L"	Simple interest for the year as detailed in Part IV	Net gain	Net loss	Percentage of net revenue (Col. 20) on capital invested (Col. 13)			Prescribed rate of interest as test of productivity	Remarks
					During the year			To end of the year																	During	During	During		
	Direct charges	Indirect charges	Total		Direct charges	Indirect charges	Total	Direct charges	Indirect charges	Total			Direct receipts	Portion of land revenue due to works	Total	Direct charges	Indirect Charges	Total										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29

FORM.

.....Project.

PART II.—Detailed Account of Capital Expenditure for and to end of year 19 —19 .

Heads of Account (Minor and Detailed heads)	Direct charges		Cost of construction as now estimated	Remarks (if any)
	During the year	To end of the year		
1	2	3	4	5
	Rs.	Rs.	Rs.	

.....Project.

PART III.—Revenue Account for and to end of year 19 —19 .

Date of closing of construction estimate.

Gross Receipts			Gross Working Expenses			
Minor heads	Total		Heads of Account (Minor and detailed heads)	Total		Remarks
	During the year	To end of the year		During the year	To end of the year	
1	2	3	4	5	6	7
	Rs.	Rs.		Rs.	Rs.	
Direct Receipts ...			Direct Charges ...			
Total Direct Receipts.			Total Direct Charges.			
Portion of Land Revenue due to Works.			Indirect Charges as per Part V.			
Total Gross Receipts.			Gross Charges ...			
Net Deficit (if any) ...			Balance Net Revenue.			
Grand Total ...			Grand Total ...			

FORM.

.....Project.

PART IV.—Interest Account for and to end of year 19 —19 .

Interest	Amount	Net Revenue	Amount
	Rs.		Rs.
Total Interest to the end of previous year.		Net Revenue realised to end of previous year.	
Interest charges for the year ...		Net Revenue realised during the year, as per Part III.	
Total Interest to end of year ...		Total Net Revenue realised to end of the year as per Part III.	
* Balance ...		* Balance ...	
Total ...		Total ...	

* Balance will be entered on the Interest or the Net Revenue side as may be necessary.

.....Project.

PART V.— Account of Indirect Charges for and to end of year 19 —19 .

Particulars	Amount	
	During the year	To end of the year
	Rs.	Rs.
Capital Account—		
Capitalised abatement of Land Revenue		
Leave and Pensionary charges		
Audit and Account Establishment		
Total Capital Account ...		
Revenue Account—		
Capitalised abatement of Land Revenue		
Leave and Pensionary charges		
Audit and Account Establishment		
Total Revenue Account ...		

.....Project.

PART VI.—Statement comparing Capital Cost to end of 19 —19 . with sanctioned estimates.

Particulars	Charges against closed sanctions			Current sanctions			Total charges to-date against old and current sanctions	Remarks
	Expenditure against construction estimates	Expenditure against open capital sanctions	Total	Charges to date	Amount of sanctioned estimate	Unspent balance		

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